DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Exemption from the

Federal Motor Vehicle Theft Prevention Standard;

HONDA

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Grant of petition for exemption.

SUMMARY: This document grants in full the American Honda Motor Co., Inc.'s (Honda) petition for an exemption of the Honda CR-V vehicle line in accordance with 49 CFR part 543, Exemption from Vehicle Theft Prevention Standard. This petition is granted because the agency has determined that the antitheft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of 49 CFR part 541, Federal Motor Vehicle Theft Prevention Standard (Theft Prevention Standard).

DATES: The exemption granted by this notice is effective beginning with the 2016 model year (MY)**.**

FOR FURTHER INFORMATION CONTACT: Ms. Carlita Ballard, Office of International Policy, Fuel Economy and Consumer Programs, NHTSA, West Building, W43-439, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Ms. Ballard's phone number is (202) 366-5222. Her fax number is (202) 493-2990.

SUPPLEMENTAL INFORMATION: In a petition dated November 3, 2014, Honda requested an exemption from the parts-marking requirements of the Theft Prevention Standard for the

CR-V vehicle line beginning with MY 2016. The petition requested an exemption from parts-marking pursuant to 49 CFR Part 543, Exemption from Vehicle Theft Prevention Standard, based on the installation of an antitheft device as standard equipment for the entire vehicle line.

Under 49 CFR 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Honda provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the CR-V vehicle line. Honda stated that its CR-V vehicle line will include a 2WD and a 4WD variation. Honda stated that its MY 2016 vehicle line will be installed with a passive, transponder-based, electronic-engine immobilizer antitheft device as standard equipment. Key components of the antitheft device will include a passive immobilizer, transponder ignition key, "smart entry" remote, Powertrain Control Module (PCM) and an Immobilizer Entry System (IMOES). Honda also stated that it will offer two types of ignition systems on its CR-V vehicle line. Specifically, Honda stated that the CR-V vehicle line will be offered with a "keyed ignition" system or a "smart entry with push button start" ignition system ("smart entry"). The "keyed ignition" system will be installed on its 2WD LX and 4WD LX models and the "smart entry" system will be installed on its 2WD EX/EXL/Touring models, and its 4WD EX/EXL/Touring models.

Honda's submission is considered a complete petition as required by 49 CFR 543.7, in that it meets the general requirements contained in §543.5 and the specific content requirements of §543.6.

Honda stated that activation of its "keyed ignition" system occurs when the engine is switched to the 'OFF" position. Honda further stated that its immobilization device is always

active until the vehicle is started using a matching ignition key and will be activated again each time the engine is switched off. Deactivation of the immobilizer device occurs when a valid key and matching immobilization code is verified, allowing the engine to start and continue normal operations. Specifically, the immobilization system automatically checks for a matching code each time starting of the vehicle is attempted. A matching code must be validated by both the PCM and IMOES in order for the engine to start. Honda stated that if an incorrect key is used to try and start the vehicle, the PCM will prevent fueling of the engine but allow the vehicle to start and run a few seconds before it automatically switches off and the immobilizer telltale indicator begins to flash.

According to Honda, the "smart entry" system operates identically to its "keyed ignition" system except that ignition for its "smart entry" system vehicle is started by pushing the Engine Start/Stop button located to the right of the steering wheel on the vehicle dashboard. Honda stated that activation of its "smart entry" system occurs when the Start/Stop button is switched to the "OFF" position. Honda stated that the "smart entry" system operates once the remote is within operating range, the start/stop button is pushed and matching codes are verified by both the PCM and the IMOES, allowing the engine to start. Deactivation of the device occurs when a "smart entry" remote with matching codes is placed within the operating range and verified, allowing the engine to continue normal operations. Honda further states that if a "smart entry" remote without a matching code is placed inside the operating range and the Engine Start/Stop button is pushed, the PCM will prevent fueling and starting of the engine.

In order to attract attention to an unauthorized person attempting to enter its vehicles without the use of a transponder ignition key or a "smart entry" remote, Honda stated that it will install a vehicle security system as standard equipment on all CR-V vehicles to monitor attempts

of unauthorized entry. Specifically, Honda stated that whenever an attempt is made to open one of its vehicle doors, hood or trunk without turning a key in the key cylinder, or using the key fob to disarm the vehicle, the vehicle's horn will sound and its lights will flash. The vehicle security system is activated when all of the doors are locked and the hood and trunk are closed and locked. Honda's vehicle security system is deactivated by using the key fob to unlock the vehicle doors or by unlocking the driver's door with the physical ignition key. Honda stated that deactivation of the vehicle's security system feature in its "smart entry" vehicles occurs when the 'smart entry" remote is within operating range and the operator grabs either of the vehicle's front door handles.

Honda also stated that its CR-V vehicle line will be installed with other features that have been designed to prevent unauthorized entry of its vehicles without the use of a key (i.e., specially-styled ignition key and key cylinders). Honda stated that its key cylinders will be designed to be resistant to tampering and its key fob remote will utilize rolling codes for the lock and unlock functions of its vehicles. Honda will also equip its vehicle line with a hood release, counterfeit resistant VIN plates and secondary VINs as standard equipment. Honda further stated that as an additional security measure, key duplication will be strictly controlled by its authorized dealers.

In addressing the specific content requirements of §543.6, Honda provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Honda conducted tests based on its own specified standards. Honda provided a detailed list of the tests it used to validate the integrity, durability and reliability of the device and believes that it follows a rigorous development process to ensure that its antitheft device will be reliable and robust for the life of the vehicle and does not require the presence of a key fob

battery to function. Additionally, Honda stated that its antitheft device has no moving parts (i.e., the PCM, IMOES, ignition key, smart entry remote and the electrical components are found within its own housing units) which reduces the chance for deterioration or wear resulting from normal use.

In support of its belief that its antitheft device will be as or more effective in reducing and deterring vehicle theft than the parts-marking requirement, Honda referenced data showing several instances of the effectiveness of its proposed immobilizer device. Honda first installed an immobilizer device as standard equipment on its MY 2002 CR-V vehicles and referenced NHTSA's theft rate data showing a decrease in thefts since the installation of its immobilizer device. NHTSA's theft rates for MYs 2010, 2011, and 2012 are 0.3195, 0.2742 and 0.2953 respectively. Using an average of 3 MYs theft data (2010-2012), the theft rate for the CR-V vehicle line is well below the median at 0.2963.

Honda also referenced a September 2005 Highway Loss Data Institute report showing an overall reduction in theft rates for the Honda CR-V vehicles after introduction of the immobilizer device. Honda stated that the data show that there was an immediate decrease in MY/calendar year 2002 thefts with its immobilizer-installed vehicles but also showed sustained lower theft rates in following years.

Based on the evidence submitted by Honda on its antitheft device, the agency believes that the antitheft device for the CR-V vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard.

Pursuant to 49 U.S.C. 33106 and 49 CFR 543.7 (b), the agency grants a petition for exemption from the parts-marking requirements of Part 541 either in whole or in part, if it

determines that, based upon substantial evidence, the standard equipment antitheft device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of Part 541. The agency finds that Honda has provided adequate reasons for its belief that the antitheft device for the Honda CR-V vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard. This conclusion is based on the information Honda provided about its device.

Based on the supporting evidence submitted by Honda on its device, the agency believes that the antitheft device for the CR-V vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR 541). The agency concludes that the device will provide the five types of performance listed in §543.6(a)(3): promoting activation; attract attention to the efforts of an unauthorized person to enter or move a vehicle by means other than a key; preventing defeat or circumvention of the device by unauthorized persons; preventing operation of the vehicle by unauthorized entrants; and ensuring the reliability and durability of the device.

For the foregoing reasons, the agency hereby grants in full Honda's petition for exemption for the CR-V vehicle line from the parts-marking requirements of 49 CFR part 541, beginning with the 2016 model year vehicles. The agency notes that 49 CFR part 541, Appendix A-1, identifies those lines that are exempted from the Theft Prevention Standard for a given model year. 49 CFR part 543.7(f) contains publication requirements incident to the disposition of all Part 543 petitions. Advanced listing, including the release of future product nameplates, the beginning model year for which the petition is granted and a general description of the

antitheft device is necessary in order to notify law enforcement agencies of new vehicle lines exempted from the parts-marking requirements of the Theft Prevention Standard.

If Honda decides not to use the exemption for this line, it must formally notify the agency. If such a decision is made, the line must be fully marked according to the requirements under 49 CFR parts 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if Honda wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Part 543.7(d) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the anti-theft device on which the line's exemption is based. Further, Part 543.9(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption."

The agency wishes to minimize the administrative burden that Part 543.9(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if the manufacturer contemplates making any changes, the effects of which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

Under authority delegated in 49 CFR Part 1.95

Raymond R. Posten,
Associate Administrator for Rulemaking.

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